

## **DRAFT Policy Statement – Software License Management**

**Title:** Managing Software License Restrictions and Provisions

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### **1.0 Purpose**

This policy is intended to advise agencies on the proper and legal use of computer software and provide effective strategies and tactics for managing software license assets. Information is included to instruct agencies on applicable licensing restrictions and provisions as related to the acquisition and use of computer software, and monitoring and combating the use of unauthorized computer software.

### **2.0 Scope**

It shall be the policy of the State of Arkansas that each State agency shall work diligently to prevent and combat computer software piracy in order to give effect to copyrights associated with computer software by observing the relevant provision of federal law, including the U.S. copyright and applicable licensing restrictions.

### **3.0 Background**

Governors Proclamation EO-00-12 requires that the Office of Information Technology (OIT) shall serve as the single source of technical information related to applicable licensing restrictions and provisions as set forth in this policy statement, as related to the acquisition and use of computer software, and monitoring and combating the use of unauthorized computer software. OIT shall advise agencies on the proper and legal usage of computer software, but shall in no way impede the legal counsel or oversight of the Attorney General's Office. OIT obtained contributions from the Enterprise Desktop Operating System Architecture Working Group concerning the content of this policy (a multi-agency technical domain working group).

### **4.0 References**

- 4.1 State of Arkansas Governor Proclamation EO-00-12: An Executive Order to Prevent and Combat Computer Software Piracy:  
<http://www.cio.arkansas.gov/techarch//domains/application/resources/main.htm>

### **5.0 Policy**

*The following policy is in reference to the Governor's Executive Proclamation EO-00-12: An Executive Order to Prevent and Combat Computer Software Piracy.*

- 5.1 It shall be the policy of the State of Arkansas** that each State agency shall work diligently to prevent and combat computer software piracy in order to give effect to copyrights associated with computer software by observing the relevant provisions of federal law, including the U.S. Copyright Act, and applicable licensing restrictions.
- 5.1.1 **Each agency shall adopt procedures** to ensure that the agency does not acquire, reproduce, distribute, or transmit computer software in violation of U.S. copyright and applicable licensing restrictions.
- 5.1.2 **Each agency shall establish procedures** to ensure that the agency has present on its computers and uses only computer software not in violation of U.S. copyright laws and applicable licensing restrictions. These procedures shall include:
- 5.1.2.1 Preparing agency inventories of the software present on its computers;
- 5.1.2.2 Determining what computer software the agency has authorization to use; and
- 5.1.2.3 Developing and maintaining adequate record-keeping systems.
- 5.1.3 **Each agency shall require its contractors and recipients** of State financial assistance, including grants and loan guarantee assistance, to certify that they have appropriate systems and controls in place to ensure that State funds are not used to acquire, operate or maintain computer software in violation of U.S. copyright laws or applicable licensing restrictions. If an agency finds that contractors, grantees or other recipients of State financial assistance are using State funds to acquire, operate or maintain computer software in violation of U.S. copyright laws or applicable licensing restrictions, the agency shall take such corrective measures as the agency head deems appropriate and consistent with the requirements of the law.
- 5.1.4 **The Office of Information Technology shall develop and disseminate guidelines** for agencies to follow as they develop policies and procedures to effectively manage the inventory of software and associated licensing agreements. The Office of Information Technology shall also develop appropriate language for inclusion in State contracts to prohibit the use of State funds for the acquisition, operation or maintenance of computer software in violation of U.S. copyright laws or applicable licensing restrictions. Such language shall be required in all state contracts involving the purchase or utilization of computer software in the performance of such contracts.
- 5.1.5 **State agencies shall ensure that budget proposals** relating to computer data processing needs include adequate resources for the purpose of acquiring adequate computer software and licenses to meet those needs.
- 5.1.6 **State agencies shall cooperate** fully in implementing this order and shall share information as appropriate that may be useful in combating the use of computer software in violation of applicable U.S. copyright laws or applicable licensing restrictions.
- 5.2 Responsibilities of Agency Heads.** In connection with the acquisition and use of computer software, the head of each State agency shall:
- 5.2.1 **Ensure agency compliance** with U.S. copyright laws protecting computer software and with provisions of this order to ensure that only authorized computer software is acquired for and used on the agency's computers;

- 5.2.2 Utilize services of the Office of Information Technology** as a point of contact to answer questions related to U.S. copyright laws or applicable licensing restrictions to assist agency employees in preventing inadvertent violation;
- 5.2.3 Educate appropriate agency personnel** regarding copyrights protecting computer software and the policies and procedures adopted by the agency to honor them; and
- 5.2.4 Ensure that the policies, and practices of the agency** related to copyrights protecting computer software are adequate and fully implement the policies set forth in this policy document.

## **6.0 Procedures**

It is critical that state agencies maintain accurate licenses, and that the number purchased is aligned with the number of copies in use or greater. Agencies need a management structure for software licensing that would prepare an agency for a software audit. Software vendors periodically select an agency to audit for software license compliance. It is important that the agency have an effective software management procedure in place that verifies they are in software compliance with all the software implemented in agency.

- 6.1 Establish or revise existing software licensing policy.** Agencies should review their acceptable use policies to make sure they cover appropriate software licensing requirements with regard to employee use. Acceptable use policies should include the following: software use and copyright policy, requirements for software installations with regard to license agreements, and software installation procedures. Update if needed to include recommendations in this policy (refer to example, *Agency Policy on Use of Software*, located in Resources).

There is a misconception that if an agency requires its employees to sign a software policy statement, they will not be held liable for their employees' software usage.

Having employees sign a policy is a practical measure. However, it does not keep the agency from being held liable if unlicensed software is located. Liability starts as soon as the unlicensed software is installed on a state asset. An agency must be able to verify that it holds appropriate licenses for all its installed software. If not, the agency will be held legally responsible.

- 6.2 Establish or update a software management system.** A software license management automation system will assist an agency track their software licenses. A software management system will provide an automated process to track, report, and control the number of licenses that are actually being used at the agency. At a minimum the system should: a) verify that there are sufficient software licenses. The number of licenses should match with the number of staff utilizing the software, and b) provide a software license inventory mechanism. *Refer to resources section for a list of solutions.*
- 6.3 Inventory current software license totals.** One of the first steps in managing software licenses is providing an inventory of existing licenses. An inventory involves analyzing the software products installed on agency PCs and comparing that to the actual licenses owned. An inventory of existing software licenses should include at least the following: product name, version, type of license, expiration date, and proof of purchase. Once the initial assessment has taken place and additional licenses required have been purchased, the agency is prepared to begin monitoring software licenses on an ongoing basis.

- 6.4 Purchase any additional licenses required.**

- 6.5 Perform biannual audits of software licenses installed on agency's desktop and portable computers.** The audit shall report whether the agency is paying for a license for software that is not being used or that the agency does not need. An agency that determines it is paying for software licenses that are no longer required, shall take necessary actions to eliminate the unnecessary license expense.
- 6.6 Maintain a record on file and subsequent actions that verifies the agency has sufficient software licenses.** Agencies must be able to provide proof of ownership for all installed software. Paid invoices are a legitimate record of a software license. This information will be valuable during a software audit.

## 7.0 Revision History

<u>Date</u>	<u>Description of Change</u>
04/30/2002	Original Policy Statement Published
07/15/2005	Links updated, header updated

## 8.0 Definitions

### What is a software license?

A software license is a contract between a copyright holder and the licensee. In order to use the license as stated, the prospective licensee must follow the terms specified in the license. It is a legal contract between a software application author or publisher and the user of that application. The license is similar to a rental agreement; the user agrees to pay for the privilege of using the software, and promises the software author or publisher to comply with all restrictions stated in the license agreement.

## 9.0 Related Resources

- 9.1** Arkansas Desktop OS and Application Suite Architecture  
<http://www.cio.arkansas.gov/techarch/domains/application/appmain.htm>
- 9.2** Example: Software Use Policy:  
<http://www.cio.arkansas.gov/techarch/domains/application/resources/main.htm>
- 9.3** OIT web site: <http://www.cio.arkansas.gov/oit>
- 9.4** Software License Management Systems (this list is not an all inclusive list):
  - 9.4.1** BSA's Software Tracking Application:  
<http://www.bsa.org/usa/antipiracy/Free-Software-Audit-Tools.cfm>
  - 9.4.2** Scalable Software's Inventory Manager: <http://www.scalablesoftware.com/>
  - 9.4.3** KeyServer software license metering: <http://www.sassafras.com/>
  - 9.4.4** Absolute Track: <http://www.absolute.com>
  - 9.4.5** Engagent: <http://www.engagent.com>
  - 9.4.6** Microsoft Systems Management Server:  
<http://www.microsoft.com/smserver/default.asp>
  - 9.4.7** Free Access data base file for tracking software:  
[http://www.techrepublic.com/download\\_item.jhtml?id=dr00220010807del01.htm](http://www.techrepublic.com/download_item.jhtml?id=dr00220010807del01.htm)

## **10.0 Inquiries**

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Arkansas Shared Technology policies can be found on the Internet at:

<http://www.cio.arkansas.gov/techarch>